

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Agenda
July 21, 2015
1:30 pm**

1. APPROVAL OF THE JUNE 23, 2015 COMMISSION MEETING MINUTES

2. RETAIL MATTERS

A. NEW BUSINESS

**1. EAST END LIQUORS
FAYETTEVILLE, TENNESSEE (LINCOLN COUNTY)**

Applicant: Kevin W. Hargrave, Sole Proprietor

Current: Linda J. Wolaver, d/b/a East End Liquors (Permit No. 3535)

Proposed: Kevin W. Hargrave, d/b/a East End Liquors

Before the Commission is a request for a transfer of ownership regarding the package store located at 122 B. Shelbyville Hwy., Fayetteville, TN 37334. The applicant plans to purchase the business from the current owner for \$80,000.¹ As verified by TABC staff, financing for the business will come from a bank loan. A lease is not required as Mr. Hargrave owns the real property where the business is located. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

a. License Fee

~~b. TABC Agent Report~~ received 07/15/15

**2. MIDWAY LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Joy L. Smith, Sole Proprietor

Previous: Kent Smith, d/b/a Midway Liquors (License No. 0240 expired on 05/11/15)

Before the Commission is a request for the applicant, Joy Smith, to obtain licensing for the retail store previously owned by her husband, Kent Smith, who is now deceased. Kent Smith left his wife all property per his Last Will

¹ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

and Testament.² Ms. Smith will lease the premises from Loeb Bros. Realty, L.P. for a term of two years and eleven months at a monthly rental rate of approximately \$1,200. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. License Fee
- b. TN Sales Tax #
- c. TTB Dealer's Permit

**3. DIXIE LEE WINES & LIQUORS (License No. 1064)
FARRAGUT, TENNESSEE (KNOX COUNTY)**

Applicant: Dixie Lee Wines & Liquors, Inc.

| <u>Shareholder(s):³</u> | <u>Current %</u> | <u>Proposed %</u> |
|--|------------------|-------------------|
| Samuel H. Taylor, President & Director | 00.000 | 00.000 |
| Linda G. Taylor, V.P & Director | 50.983 | 25.916 |
| Ellen T. Jones, Treasurer | 16.339 | 18.521 |
| Melanie J. Brown, Secretary | 16.339 | 18.521 |
| Sam Taylor III, V.P. Purchasing | 16.339 | 18.521 |
| Andrew Taylor, V.P. Operations | 00.000 | 18.521 |

Before the Commission is a request for a change in shareholders and shareholder interest in the retail business located at 13044 Kingston Pike, Farragut, Tennessee 37934. Linda Taylor is the owner of all (194.00) voting shares and plans to give all of her nonvoting shares (187.650) to her four children. Three of the four are already nonvoting stockholders (owning 122.310 shares each), and Andrew Taylor will be the only new stockholder. Ms. Taylor is gifting Andrew Taylor 138.645 nonvoting shares, and the other three children will receive 16.335 nonvoting shares each. The TABC staff recommends approval of this request.

**4. MIDSTATE WINE & SPIRITS
BAXTER, TENNESSEE (PUTNAM COUNTY)**

Applicant: Shanti 1 Inc.
Shareholder(s): Ritesh Patel, 100%

Current: Chris R. Mabey (sole proprietor), d/b/a Midstate Wine & Spirits (License No. 3696)
Proposed: Shanti 1 Inc., d/b/a Midstate Wine & Spirits

Before the Commission is a request for a transfer of ownership regarding the retail business located at 115 Fast Lane, Baxter, Tennessee 38544. If

² In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

³ Before and after the 2015 gifts of nonvoting shares.

approved, the applicant will purchase the inventory (via licensed TN wholesaler involvement) from the current owner for an amount not to exceed \$180k. Financing for the purchase will come from a bank loan in the amount of approximately \$180k, as verified by TABC staff. The applicant will lease the premises from Tenn Reit, LLC, for an initial term of ten years at a monthly rental rate of \$5,000.⁴ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. License Fee

**5. VOLUNTEER SPIRITS (License No. 3999)
JEFFERSON CITY, TENNESSEE (JEFFERSON COUNTY)**

Applicant: 4W Enterprises, LLC

Before the Commission is a request for approval of an expansion of the retail store located at 921C N. Hwy 92, Jefferson City, Tennessee 37760. The additional space will be used for storage and an office. Per an addendum to the lease, the applicant is leasing the premises (including the additional space) from Pamela S. Murph, at a monthly rental rate of \$1,300.⁵ The TABC staff recommends conditional approval of this request, subject to receipt of the following item:

- a. TABC inspection after expansion

**6. NORTH PLAZA PACKAGE STORE (License No. 0684)
KINGSPORT, TENNESSEE (SULLIVAN COUNTY)**

Applicant: Nancy L. East, Sole Proprietor

Before the Commission is a request for approval of an expansion of the retail store located at 812 Lynn Garden Drive, Kingsport, Tennessee 37760. The applicant plans to construct an addition to the existing building.⁶ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection (after build-out)
- b. Certificate of Occupancy (after build-out)

**7. BROADWAY WINE & LIQUOR
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

⁴ The lease includes options to renew for two additional terms of five years each.

⁵ The lease terminates in 2017.

⁶ The applicant owns the real property where the retail store is located.

Applicant: EZ In & Out Liquor, LLC⁷

Member(s): Angelia D. Crowley, President 100%

Before the Commission is a request for licensing of a new retail store to be located at 4425 Broadway, Knoxville, Tennessee 37917. Ms. Crowley will be investing \$50,000 into the business, as verified by TABC staff. The applicant will lease the premises from William E. Monday for an initial term of one year (with an additional five year extension option) at a monthly rental rate of \$1,250. The TABC staff recommends conditional approval of this request, pending receipt of the following items:

- a. TABC Inspection (after build-out)
- b. Certificate of Occupancy (after build-out)
- c. Sales Tax # for this location (or as DOR requires)

**8. DISCOUNT LIQUORS & TOBACCO
ANTIOCH, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Gayatriji, Inc.

Shareholder(s): Ragini Chetankumar Patel, President 100 %

Before the Commission is a request for licensing of a new retail store to be located at 940 Richards Road, #104, Antioch, Tennessee 37013. Ms. Patel is borrowing \$175k (at 5% per annum) from Kalian S. Patel to invest into the business, as verified by TABC staff. The applicant is leasing the premises from Mill Creek Commons, LLC for an initial term of 39 months at a monthly rental rate of approximately \$4,000.⁸ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules/Regulations
- c. Certificate of Occupancy or letter from metro stating the location is approved for occupancy
- d. License Fee

**9. GREEN HILLS CORKDORKS WINE SPIRITS BEER
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Nirvana Beverage Company, LLC

Member(s): Pratibhalaxmee Vallabhbhai Desai, President 50 %

⁷ EZ In & Out LLC (Angelia Crowley, 100%) also owns EZ In & Out Wine & Liquor (License no.3842) located at 6203 Chapman Highway, Knoxville, Tennessee 37920)

⁸ The lease includes three, five year options to renew.

Pankaj Vallabhbhai Patel⁹, V.P. & CEO 50 %

Current: Nirvana Beverage Company, LLC (Pratibhalaxmee Vallabhbhai Desai, President, 100%) d/b/a Grace's Plaza Wine & Spirits (Permit No. 3646)

Proposed: Nirvana Beverage Company, LLC (Pratibhalaxmee Vallabhbhai Desai, 50% & Pankaj Vallabhbhai Patel, 50%) d/b/a Green Hills Corkdorks Wine Spirits Beer.

Before the Commission are two requests: the first is a request for approval of an additional LLC member and the second is a request for a d/b/a name change regarding the retail store located at 4009 Hillsboro Pike, Suite 105, Nashville, Tennessee 37215. Pankaj Patel is investing approximately \$25,000 into the business, and will now have 50% ownership interest in the LLC. The d/b/a name will be changed to Green Hills Corkdorks Wine Spirits Beer. The TABC staff recommends conditional approval of this request, subject to receipt of the following:

- a. Acknowledgment of TABC Rules/Regulations signed by Pankaj Vallabhbhai Patel

**10. BUSTER'S LIQUORS & WINES (LICENSE NO. 0262)
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Romulus Corporation

Before the Commission is a request for approval of an expansion of the retail store located at 191 S. Highland Street, Memphis, Tennessee 38111. Mr. Hammond has a \$900k bank loan to use for the expansion. Per the amended lease, the applicant will lease the premises (including the additional space) from Dillard Square, for a term of 240 months at a monthly rental of approximately \$22,000.¹⁰ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection (after build-out)
- b. Certificate of Occupancy (after build-out)

**11. SOUTHERN SPIRITS & MORE
HARTSVILLE, TENNESEE (TROUSDALE COUNTY)**

Applicant: Dawn Jellison, Sole Proprietor

Previous: Shane Ryan Burton Sr., d/b/a Cross Creek Wine & Spirits (License No. 3840 closed 06/27/15)

⁹ Pankaj Patel also owns Southern Beverages Inc., d/b/a Midtown Corkdorks Wine Spirits Beer (Permit 3417) located at 1610 Church St., Nashville, Tennessee 37023.

¹⁰ By month 181 the rent will have increased to approximately \$27,000 per month.

Proposed: Dawn Jellison, d/b/a Southern Spirits & More

Before the Commission is a request for a transfer of ownership regarding the retail store previously located at 784 McMurry Blvd., Hartsville, Tennessee 37074. Ms. Jellison is investing \$30,000 into the business (loan from Simple HVAC Inc.), and if approved, Ms. Jellison will purchase the business (furniture, fixtures, equipment, shelving, coolers etc...) from Shane R. Burton for \$15,000. The applicant will lease the premises from Robert E. Powers (d/b/a East End Rentals) for an initial term of three years at a monthly rental rate of approximately \$700.¹¹ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgement of TABC Rules/Regulations
- c. Transfer of liquor letter

**12. BEER AND LIQUOR DEPOT
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Mahi Sagar Inc.

| | | |
|-----------------|----------------------------|------|
| Shareholder(s): | Laljibhai Patel, Secretary | 50 % |
| | Rina Patel, President | 50 % |

Before the Commission is a request for licensing of a retail store to be located at 2002 E. Main St., Murfreesboro, Tennessee 37130. The applicant members are investing a combined total of \$150k, with these funds coming from a \$150k loan from Surekhaben Patel. The applicant will lease the premises from A.S.R. Properties, LLC for an initial term of three years at a monthly rental rate of approximately \$3,200.¹² The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgment of TABC Rules/Regulations
- c. License Fee

**13. GATEWAY SPIRITS
ROCKWOOD, TENNESSEE (ROANE COUNTY)**

Applicant: Dhruvi, LLC

| | | |
|------------|---------------------------------|-------|
| Member(s): | Sanjaykumar B. Patel, President | 100 % |
|------------|---------------------------------|-------|

Current: Gateway Spirits, LLC, d/b/a Gateway Spirits (Permit 3678)

¹¹ The lease includes an option to renew for 3-5 additional years.

¹² The lease includes options to renew for four additional three year terms.

Before the Commission is a request for a transfer of ownership regarding the retail package store located at 412 N. Gateway Avenue, Rockwood, Tennessee 37854. The applicant plans to purchase the assets (including inventory) from the seller for a purchase price of \$50k (the price will be adjusted based on an inventory examination).¹³ Baldevbhai S. Patel is loaning his son, Sanjaykumar Patel, \$100k (at 3% per annum) to invest into the business. The applicant will lease the premises from James Gregory Williams for an initial term of two years at a monthly rental rate of \$1,500. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. License Fee

3. WINERY MATTERS

A. NEW BUSINESS

1. ROCKY TOP ORGANIC VINEYARD AND WINERY (Permit W-50) ROCKFORD, TENNESSEE (BLOUNT COUNTY)

| | | |
|-------------------------|---|-------|
| Applicant: | Rocky Top Organic Vineyard & Winery, Inc. | |
| Shareholder(s): | Kathleen Butcher, President | 100 % |
| Current Owner: | Rocky Top Organic Vineyard & Winery, Inc. | |
| Current Shareholder(s): | Kathleen Butcher, President | 60 % |
| | Estate of Roger Hooban | 40 % |

Before the Commission is a request for approval of a change in shareholders and shareholder interest regarding the winery licensee located at 2818 Honeysuckle Trail, Rockford, Tennessee 37853. Mr. Hooban, now deceased, left his estate to Ms. Butcher in his Last Will and Testament. Ms. Butcher will now hold 100 % of the shareholder interest in the corporation. The TABC staff recommends approval of this request.

2. MORRIS VINEYARD & TN MOUNTAINVIEW WINERY (Permit W-47) CHARLESTON, TENNESSEE (BRADLEY COUNTY)

| | | |
|----------------------|---|-------|
| Applicant: | Morris Vineyard and TN Mountainview Winery, LLC | |
| Member(s): | Carolyn Morris, President | 100 % |
| Current LLC members: | Richard E. Morris, President | 50 % |
| | Carolyn Morris, Secretary | 50 % |
| Proposed: | Carolyn Morris, President | 100 % |

¹³ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement

Before the Commission is a request for a change in LLC members and member interest, regarding the winery licensee located at 346 Union Grove Rd., Charleston, Tennessee 37310. Carolyn Morris will acquire the ownership interest (50%) of Richard Morris, leaving Ms. Morris with 100% ownership interest in the LLC. The TABC staff recommends approval of this request.

4. FARM WINERY MATTERS– None

5. WHOLESALE MATTERS –

A. NEW BUSINESS

1. BEVERAGE CONTROL (PERMIT NO. 37) KNOXVILLE, TENNESSEE (KNOX COUNTY)

Applicant: Beverage Control Inc.

Before the Commission is a request for approval to transfer the assets utilized in the wholesale distribution of wine, spirits, and high gravity beer from George Dinwiddie Distributing Company to Beverage Control Inc., d/b/a Beverage Control (Permit 37) located at 2331 News Sentinel Drive, Knoxville, Tennessee. Dinwiddie would no longer be involved in the sale and distribution of wine, distilled spirits and high-gravity beer, and upon closing all of the rights and responsibilities in connection with the sale and distribution of such products will be assumed by Beverage Control. The TABC staff recommends conditional approval of this request, subject to receipt of the following item(s):

- a. Confirmation of closing of sale

6. DISTILLERY/BREWERY - None

7. PRIVATE CLUBS

A. NEW BUSINESS

1. TEMPLE HILLS COUNTRY CLUB FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)

Applicant: Temple Hills CC, LLC

| | | |
|-------------------|---------------------------------|-------|
| Members/Officers: | ClubCorp USA, Inc., sole member | 100 % |
| | Eric Affeldt, President | 0 % |
| | Curt McClellan, Treasurer | 0 % |
| | Ingrid Keiser, Secretary | 0 % |

Current: OS Temple Hills, LLC¹⁴, d/b/a Temple Hills Country Club (Permit No. 99479)

Proposed: Temple Hills CC, LLC, d/b/a Temple Hills Country Club

Before the Commission is a request for a transfer of ownership regarding the for-profit, private club located at 6376 Temple Road, Franklin, Tennessee 37069. The club has 679 members, each paying \$330 for monthly dues. The applicant meets the requirements of T.C.A. §57-4-102(8)(J).¹⁵ Temple Hills CC, LLC, is purchasing the club from the seller for approximately six million dollars using current operating funds and will lease the premises from ClubCorp NV XIII, LLC for an initial term of five years at a monthly rental rate of approximately \$24k.¹⁶ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Bond
- b. Copy of club by-laws

8. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION

A. Tennessee Alcoholic Beverage Commission v. Jessica Hill – Docket No. 33.05-129784J

Ms. Hill's application for server permit was denied by TABC staff for having been convicted of a prohibited offense. Ms. Hill requested an administrative hearing and the hearing was held on June 9, 2015. On July 1, 2015, Administrative Law Judge Kim Summers issued an I/O ordering Ms. Hill's application for a server permit be "approved and granted." Pursuant to T.C.A. § 4-5-315, an Initial Order is to be reviewed by the TABC. The TABC staff does not oppose the Commission's affirmation and confirmation of Judge Summers' Initial Order.

9. SERVER APPEAL

A. Nayeli Alejandra Reyes Carrillo

¹⁴ OS Golf Property Holdings Borrower, LLC, 100%; Scott Busch, authorized person for LC, 0%; Scott McMullin, authorized person for LLC, 0%

¹⁵ T.C.A. § 57-4-102(8)(J): "Club" also means a for-profit recreational club, organized and existing under the laws of the state of Tennessee, which is located in any county having a population of not less than one hundred thirty thousand (130,000) nor more than one hundred thirty-one thousand (131,000), according to the 2000 federal census or any subsequent federal census, and further possesses the following characteristics:(i) The club shall be adjacent to a residential development consisting of at least one hundred (100) residential units, and the club property and such residential development shall consist of at least two hundred (200) acres;(ii) The residential development shall be adjacent to a lake with an area greater than twenty (20) acres;(iii) The club shall be organized and operated to provide to its members, their guests, and others an eighteen-hole golf course and amenities provided by other similar clubs;(iv) The club shall serve at least one (1) meal daily, five (5) days a week;(v) The club shall have a clubhouse with not less than three thousand square feet (3,000 sq. ft.) with suitable kitchen, dining facilities and equipment; and(vi) The club shall not discriminate against any person on the basis of gender, race, religion or national origin;

¹⁶ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

Ms. Reyes Carrillo applied for a TABC server permit on 05/20/15. Pursuant to T.C.A. § 4-58-103, state agencies are required to verify that each applicant who applies for a state benefit is a United States citizen or is lawfully present in the United States, and as such Ms. Carrillo's Employment Authorization Card was entered into the Department of Homeland Security's SAVE program (Systematic Alien Verification for Entitlements). On 06/09/2015 it was confirmed via SAVE that Ms. Reyes Carrillo is classified as DACA (Deferred Action for Childhood Arrivals). As stated by U.S. Citizenship and Immigration Services, "deferred action is a discretionary determination to defer a removal action of an individual as an act of prosecutorial discretion." Deferred action does not confer lawful status, and as such, Ms. Reyes Carrillo is not "qualified" for a public benefit - in this case - an employee/server permit issued by the TABC. The TABC staff mailed a denial letter to the applicant on 06/09/2015, and on 07/07/2015, the TABC received a letter from the applicant requesting a hearing.

10. MISC – NONE

11. NEXT MEETING – Tuesday, August 25, 2015

12. UPCOMING MEETINGS

- Tuesday, August 25, 2015
- Tuesday, September 22, 2015